

OFFICE OF CITY CONTROLLER
CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE

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|-----------|--|----------------|---------------------------------------|
| To | Mayor Bill White City Council Members | From | Annise D. Parker City Controller |
| | | Date | January 30, 2004 |
| | | Subject | December 2003 Financial Report |

Attached is the Monthly Financial and Operations Report for the period ending December 31, 2003.

GENERAL FUND – FY 2003

The final fiscal year 2003 Undesignated Fund Balance is \$83 million. The annual audit is now complete.

GENERAL FUND – FY 2004

General Fund revenue projections have increased by \$2 million from last month. This is due to increases in sales tax receipts and gas franchise revenues.

- The sales tax revenue projection is \$329.5 million, or \$1.5 million more than last month. Our projection is based on year-to-date receipts, which are running higher than we anticipated at the start of the fiscal year. For the remainder of FY 04 we are predicting a 2% increase over FY 03.
- The gas franchise revenue projection is \$17 million. This is an increase of \$500 thousand. Our projection is based on year-to-date receipts, which are 9% higher than last year.

There was no change in General Fund expenditures.

Due to the increases in sales taxes and gas franchise fees, we are now projecting a budget shortfall of approximately \$5.9 million. This is down from the \$7.8 million shortfall we reported in November.

Mayor Bill White
City Council Members
December 2003 Monthly Financial and Operations Report

HIGHLIGHTS OF THE BOND STATUS REPORT

| COMMERCIAL PAPER | Drawdowns FY04 (in millions) | Drawdowns in Dec. (in millions) | Increased Authorization/ (Refunded) (in millions) | Amount Available to be Drawn (in millions) | Amount Outstanding (in millions) |
|---------------------------------------|---|--|--|---|---|
| General Obligation | | | | | |
| <i>(Series A & B)</i> | | | | | |
| <i>Public Improvement Bonds</i> | \$ 30.00 | \$ 8.00 | \$ (69.00) | \$ 77.00 | \$ 301.30 |
| <i>(Series C)</i> | \$ 2.40 | \$ 0.00 | \$ (45.90) | \$ 0.00 | \$ 0.00 |
| <i>Equipment</i> | \$ 3.10 | \$ 0.00 | \$ (19.10) | \$ 0.00 | \$ 0.00 |
| <i>Storm & Overlay</i> | | | | | |
| <i>(Series D)</i> | \$ 22.00 | \$ 2.00 | \$ 110.00 | \$ 240.00 | \$ 35.00 |
| <i>(Series E)</i> | | | | | |
| <i>Downtown Streetscape</i> | \$ (0.50) | \$ 2.00 | \$ 0.00 | \$ 0.50 | \$ 5.00 |
| <i>Equipment</i> | \$ 18.50 | \$ 10.00 | \$ 17.00 | \$ 68.00 | \$ 18.50 |
| <i>Metro Street Projects</i> | \$ 0.00 | \$ 0.00 | \$ 63.00 | \$ 63.00 | \$ 0.00 |
| Water and Sewer | \$ 190.00 | \$ 0.00 | \$ 0.00 | \$ 294.75 | \$ 605.25 |
| <i>(Series A & B)</i> | | | | | |
| Aviation | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 300.00 | \$ 0.00 |
| <i>(Series A,B, & C)</i> | | | | | |
| Convention & Entertainment | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 52.50 | \$ 22.50 |
| <i>(Series A)</i> | | | | | |

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure.

As of December 31, 2003, the ratio for each type of outstanding debt was

| | |
|---------------------------------------|-------|
| General Obligation | 17.4% |
| Water and Sewer | 15.2% |
| Aviation | 16.0% |
| Convention & Entertainment | 27.1% |

Respectfully submitted,



Annise D. Parker
City Controller